Cost-Containment Activities Planned for FY11 DRAFT - FOR DISCUSSION ONLY

							Proposed Target
Program Area	Activity		GF Sav	ing	s (Ra	ange)	Completion Date
General Benefit Reductions/ Restrictions	Establish tighter limits, criteria, and payment provisions for medical supplies and DME.	\$	85.0) -	\$	105.0	Target completion: 8/10
	Eliminate meals and lodging benefits for recipients outside of their community who are being treated on an outpatient basis for an approved service. (Note: This will not affect Native Americans receiving services through IHS.)	\$	100.0	_	\$	250.0	Target completion: 8/10. Regs have not been issued.
	Discontinue payments for attendants for out-of-state meals and lodging. (Note: Current benefits are already quite restrictive and are primarily for attendants to young children or to adults when necessary to provide out-of-facility care, as attested to by a physician.) Tighten or eliminate the transportation	\$	25.0		\$	100.0	Target completion: 8/10. Regs have not been issued.
	fund used to pay recipients for traveling over 65 miles from their community, and contract the management of non-emergency transportation to the TPA contract.	\$	20.0			75.0	Target completion: TBD. Regs have not been issued.
		G	eneral Fu	ınd	Sav	rings (Rang	e): \$230.0 - \$530.0
Dental Benefit Reductions/ Restrictions	Adult dental criteria - full mouth or panoramic x-ray changed from one every 3 years to one every 5 years.	\$	40.0	-	\$	60.0	Target completion: 8/10
			General	Fu	nd S	Gavings (Ra	nge): \$40.0 - \$60.0
	Move FMA functions for <i>Mi Via</i> to ACS to receive higher FMAP rate. (Note: Savings will be achieved in FY12 and beyond; not in FY11.)		FY12 an		eyor	e achieved nd; not in	Target completion: 7/10
Long-Term Care Benefit Reductions/ Restrictions	Tighten PCO benefit.	\$	3,500.0	_	\$	5,000.0	Target completion: 9/10
	Limit the cost of providing services to participants in the community to not exceed costs of providing services to participants residing in nursing facilities.	\$	50.0			150.0	Target completion: 9/10
	Incentivize the use of Medicare Special Needs Plans (SNPs).	\$	500.0	_	\$	1,500.0	On target as part of contract negotiations.
	Increase administrative efficiencies in CoLTS.	\$	150.0	_	\$	250.0	On target as part of contract negotiations.

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Cost-Containment Activities Planned for FY11 DRAFT - FOR DISCUSSION ONLY

						Proposed Target
Program Area	Activity	GF Savings (Range)			Completion Date	
Long Torm Care Reportit	For Mi Via, separate the medical eligibility determination process from the assessment used to determine the individualized budget; and develop an acuity assessment instrument that links service and support needs to an individualized budget (within a range).		1	ГВD		Target completion: TBD. ALTSD to address this activity.
Long-Term Care Benefit Reductions/ Restrictions, cont.	For Mi Via, develop an assessment that helps determine the level at which an individual is able to self-direct with consideration of natural supports.		1	ΓBD	Target completion: TBD. ALTSD to address this activity.	
	Limit <i>Mi Via</i> through a cap in goods and services. (Decisions are pending by the HSD, DOH and ALTSD; cap will require a waiver amendment, regulation change, and service standards.)			ſBD		Target completion: TBD. ALTSD to address this activity.
	Ge	ene	eral Fund Sc	avings	(Range):	\$4,200.0 - \$6,900.0
Behavioral Health Benefit Reductions/ Restrictions	Restrict CCSS to providers certified as a CSA.	\$	200.0		300.0	Target completion: 10/10
		G	ieneral Fun	d Sav	ings (Rang	ge): \$200.0 - \$300.0
	Modify SCI DME benefit.	\$	50.0	- \$	90.0	Target completion: 7/10 Target completion:
	Modify SCI pharmacy benefit. Identify enrollees with HIV/AIDS and have	\$	800.0	- \$	900.0	
	DOH contribute capitation/ premium (state share) Childless adults and parent waiver:	\$	100.0	- \$	200.0	Evaluating
Insure NM	Reinstate premiums for individuals at or below 100% FPL.	\$	3,500.0	- \$	4,500.0	For discussion
	Childless adults and parent waiver: Reinstate premiums for employers of employees at or below 100% FPL.	\$	300.0	- \$	450.0	For discussion
	Childless adults: Eliminate add-on employees to enrolled groups.	\$	75.0		150.0	Evaluating
	Parents: Eliminate add-on employees to enrolled groups.	\$	25.0		100.0	Evaluating
	Implement a pharmacy dispensing fee	ene	eral Fund Sc	avings	(Range):	<i>\$4,850.0 - \$6,390.0</i>
Rate Changes/ Reductions	reduction to \$2.50 (from current rate of \$3.65) when generic drugs are not substituted per state statute. Also					Target completion:
	implement not paying more than 340B pricing for pharmacy items purchased					7/10 (notice signed and completed
	under federal 340B rules.	\$	15.0	- \$	40.0	5/10)

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Cost-Containment Activities Planned for FY11 DRAFT - FOR DISCUSSION ONLY

						Proposed Target	
Program Area	Activity	GF Savings (Range)				Completion Date	
1108.4764	, neuroy		0. 00	50 (110	6~/	Completion Bute	
	Maintain current nursing home rates					Target completion:	
	through regulation changes.		N/A (Bud	et ne	eutral)	Summer 2010	
	Decrease out-of-network payments to		14/71 (Baaş	500 110	zacialy	Target completion:	
	90% of the Medicaid FFS fee schedule.	\$	175.0	خ ۔	300.0	8/10	
	Cost-settle border area and out-of-state	۲	173.0	٠ ,	300.0	Target completion:	
	hospitals annually.	\$	25.0	خ ۔	75.0	8/10	
		٦	23.0	- _{\partial}}	73.0	8/10	
	For psych hospitals and inpatient psych						
	units for BH managed care, implement						
	negotiated rates rather than paying a						
	percentage of billed charges when						
	providers are not cost-settled for psych						
	hospital outpatient managed care.						
	Implement prospective rates for						
	outpatient hospital reimbursement that					Target completion:	
	are based on cost to charge ratios.	\$	75.0	- \$	200.0	9/10	
	Implement a fee schedule-based					,	
Rate Changes/ Reductions,	reimbursement methodology for						
cont.	outpatient hospital services based on						
	Medicare principles (Outpatient						
	Prospective Payment System (OPPS) or					Target completion:	
	APCs).	\$	15.0	- \$	60.0	9/10	
	,					,	
	Implement changes to 340B pricing for						
	hospitals not to pay more than 340B						
	prices paid by the hospital. (Note: This is					Target completion:	
	also a federal requirement.)	\$	1,500.0	- \$	1,800.0	10/10	
	Implement "generics first" PDL, "script						
	limits", and develop specific policies for						
	high-cost drug items; including finalizing					Target completion:	
	pharmacy management plan.	\$	1,800.0	- \$	2,200.0	10/10	
	Retroactively cost-settle in-state hospitals					Target completion:	
	for drug items back to 2005.		3,400.0	_ ¢	4,000.0		
	Retroactively cost-settle border area	7	3,400.0	7	4,000.0	Target completion:	
	hospitals back to 2005.	\$	1,400.0	- \$	1,800.0	TBD	
				88,405.0 - \$10,475.0			
	Reduce cap rates for emergency room				,	Target completion:	
Managod Caro Efficiencies	readmissions.		Т	BD		8/10	
Managed Care Efficiencies							
	Re-bid all managed care lines of business	\$	3.0	- \$	5.0	Evaluating	
	General Fund Savings (Range): \$3.0 - \$5						
	Implement co-pays for emergency room						
Co-Pays	use and pharmacy. (Savings based on co-						
00 1 4 1 5	pays of \$3 for ER services and \$5 for					Target completion:	
	brand drugs.)	\$	1,375.0	- \$	1,500.0	TBD	

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Cost-Containment Activities Planned for FY11 DRAFT - FOR DISCUSSION ONLY

Implement co-pays for DME benefits and medical supplies: \$5 for disposable medical supplies (limit to no more than a 30 day supply); \$25 for DME purchases (i.e., wheelchairs); \$5 for DME monthly rate. \$75.0 - \$96.0 TBD Co-Pays, cont. Co-Pays, cont.								Proposed Target
medical supplies: \$5 for disposable medical supplies (limit to no more than a 30 day supply); \$25 for DME purchases (i.e., wheelchairs); \$5 for DME purchases (i.e., wheelchairs); \$5 for DME monthly rate. Co-Pays, cont. Implement co-pays for nutritional supplement benefits at \$3. Implement co-pays for rehabilitative services for adults, at \$3 per visit. Implement additional co-pays as appropriate (including BH services) and based on ease of implementation. Reimplement school payment of state share. Reimplement school payment of state share. Modify NMRx administration. Require NDC on medical claims in order to collect drug rebates. Require NDC on medical claims in order to collect drug rebates. Require NDC on medical claims in order to collect drug rebates. Injetent timely claims filing for most providers from 120 days to 90 days and limit the number of days a provider has to resubmit claims denied due to provider error. Implement claiming federal drug rebates on managed care pharmacy drug items allowed by changes in health reform legislation, effective 3/23/10. S 1,000. S 1,600. Target completion 7/10 Target completion 9/10 for all CMS required NDC numbers (and 1/12 for all other drug items) allowed by changes in health reform 120 days to 90 days and limit the number of days a provider has to resubmit claims denied due to provider error. S 100.0 S 130.0 Target completion 9/10 for all CMS required NDC numbers (and 1/12 for all other drug items) allowed by changes in health reform 120 days to 90 days and limit the number of days a provider has to resubmit claims denied due to provider error. S 100.0 S 130.0 Target completion 9/10 for all CMS required NDC numbers (and 1/12 for all other drug items) 10/10 retroactive to 10/10 retroactive to 10/10 retroactive 10/10 retr	Program Area	Activity		GF Savir	ngs	(Ra	ange)	Completion Date
medical supplies (limit to no more than a 30 day supply); \$25 for DME purchases (i.e., wheelchairs); \$5 for DME monthly rate. \$ 75.0		Implement co-pays for DME benefits and						
Administrative Changes 30 day supply); \$25 for DME monthly rate.		medical supplies: \$5 for disposable						
(i.e., wheelchairs); \$5 for DME monthly rate. Implement co-pays for nutritional supplement benefits at \$3. \$ 0.9 - \$ 1.4 TBD		medical supplies (limit to no more than a						
(i.e., wheelchairs); \$5 for DME monthly rate. Implement co-pays for nutritional supplement benefits at \$3. \$ 0.9 - \$ 1.4 TBD		30 day supply); \$25 for DME purchases						
Co-Pays, cont. Tate. \$ 75.0 - \$ 96.0 TBD								Target completion:
Co-Pays, cont. Implement co-pays for nutritional supplement benefits at \$3.			\$	75.0	-	\$	96.0	
supplement benefits at \$3.	Co-Pays cont							Target completion:
Implement co-pays for rehabilitative services for adults, at \$3 per visit. \$ 13.8 - \$ 23.8 TBD Implement additional co-pays as appropriate (including BH services) and based on ease of implementation. \$ 400.0 - \$ 800.0 TBD Reimplement school payment of state share. \$ 2,500.0 - \$ 3,500.0 7/10 Modify NMRx administration. \$ 40.0 - \$ 50.0 7/10 Require NDC on medical claims in order to collect drug rebates. \$ 50.0 - \$ 150.0 items) Target completion 9/10 for all CMS required NDC numbers (and 1/13 for all other drug limit the number of days a provider has to resubmit claims denied due to provider error. \$ 100.0 - \$ 130.0 8/15/10) Implement claiming federal drug rebates on managed care pharmacy drug items as allowed by changes in health reform legislation, effective 3/23/10. \$ 1,000.0 - \$ 1	Co-i ays, cont.	supplement benefits at \$3.	\$	0.9	-	\$	1.4	TBD
Implement additional co-pays as appropriate (including BH services) and based on ease of implementation. Reimplement school payment of state share. \$ 2,500.0 - \$ 3,500.0 Target completion 7/10 Target completion 9/10 for all CMS required NDC numbers (and 1/13 for all other drug 1/13 for all other dru								Target completion:
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appropriate (including BH services) and based on ease of implementation. Reimplement school payment of state share. \$ 2,500.0 - \$ 3,500.0 Target completion 7/10								
Based on ease of implementation. \$ 400.0 - \$ 800.0 TBD								
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Reimplement school payment of state share. \$ 2,500.0 - \$ 3,500.0 7/10 Modify NMRx administration. \$ 40.0 - \$ 50.0 7/10 Target completion 7/10 Target completion 7/10 Target completion 9/10 for all CMS required NDC numbers (and 1/11 for all other drug to collect drug rebates. \$ 50.0 - \$ 150.0 items) Tighten timely claims filing for most providers from 120 days to 90 days and limit the number of days a provider has to resubmit claims denied due to provider error. \$ 100.0 - \$ 130.0 8/15/10) Implement claiming federal drug rebates on managed care pharmacy drug items as allowed by changes in health reform legislation, effective 3/23/10. \$ 1,000.0 - \$ 1,600.0 to 3/23/10						•		
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providers from 120 days to 90 days and limit the number of days a provider has to resubmit claims denied due to provider error. \$ 100.0 - \$ 130.0	Administrative Changes		Ş	50.0	-	Ş	150.0	items)
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on managed care pharmacy drug items as allowed by changes in health reform legislation, effective 3/23/10. \$ 1,000.0 - \$ 1,600.0 to 3/23/10		Implement claiming federal drug rebates						
allowed by changes in health reform 10/10 retroactive legislation, effective 3/23/10. \$ 1,000.0 - \$ 1,600.0 to 3/23/10								Target completion:
legislation, effective 3/23/10. \$ 1,000.0 - \$ 1,600.0 to 3/23/10								
		, ,	ے ا	1 000 0		۲	1 600 0	· ·
General Fund Savings (Range): \$3,690.0 - \$5,430.0								

Total General Fund Savings (Range): \$23,482.7 - \$32,511.2

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